

### **III. REMARKS**

Claims 1-20 are pending in this application. Applicants have amended claims 1, 9, 10, 12 and 16. Applicants do not acquiesce in the correctness of the rejections and reserve the right to present specific arguments regarding any rejected claims not specifically addressed. Further, Applicants reserve the right to pursue the full scope of the subject matter of the original claims in a subsequent patent application that claims priority to the instant application. Reconsideration in view of the following remarks is respectfully requested.

Claims 1-20 have been rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicants regard as the invention. The Office finds the terminology “determining an excess inventory with consideration of a manufacturing limitation and an excess inventory without consideration of the manufacturing limitation for each analysis point” unclear. Specifically, the Office states it is unclear as to what a consideration is to determine an excess inventory.

Applicants have amended claims 1, 9, 10, 12 and 16 to remove the term “consideration of”.

Claims 1, 12 and 16 recite steps of “determining an excess inventory with a manufacturing limitation and an excess inventory without the manufacturing limitation for each analysis point.”

Claims 9 and 10 recite steps of “determining an excess inventory with the policy inventory and an excess inventory without the policy inventory.” Since manufacturing limitation, excess inventory and policy inventory are clearly defined terms, it is submitted that the rejection under 35 U.S.C. § 112, second paragraph, is overcome and withdrawal is requested.

In the Office Action, claims 1-20 has been rejected under 35 U.S.C. §103(a) as allegedly being unpatentable by Kurihara et al. (U.S. Pub. 2003/0171963), hereinafter “Kurihara”.

Applicants respectfully traverse this rejection for the reasons stated below.

Specifically, with respect to independent claims 1, 12 and 16, it is clear that excess inventory is determined with and without a manufacturing limitation. This is not shown in Kurihara. The Office alleges Fig. 3, Step 7, Fig. 3, Step 8 and paragraph [0028] teach the element of determining an excess inventory with a manufacturing limitation and without a manufacturing limitation. Applicants contend this conclusion is not supported as paragraph [0028] expressly describes determining predicted product inventory amount minus product inventory target values. Fig. 3, step 7 is described as “Product Production Regulation Information Database” and Fig. 3, Step 8 is described as “Integration of Desired Products, Amounts, Times of Delivery.” Never does Kurihara disclose determining excess inventory with a manufacturing limitation and without a manufacturing limitation. In fact, manufacturing limitation is never mentioned in Kurihara.

Likewise, Kurihara does not disclose, *inter alia*, “determining a trapped inventory based on a difference between the excess inventory with the manufacturing limitation and the excess inventory without the manufacturing limitation.” (Claim 1, similarly in claims 12 and 16). The Office points to paragraphs [0184-0191] which “discusses a predicted product inventory amount, product inventory target value, where production of product type C, and during periodic inspections, production of product type C will not be possible; hence there is a need to stockpile the anticipated demand amount during this period as product inventory, and so from the current step, “‘warehousing 125 tons of product type C by such-and-such date is desired’ (4) is input”. This section of Kurihara concerns stockpiling product C in anticipation of a demand for product C. It

does not, as the Office alleges, allow one to determine trapped inventory based on a difference between the excess inventory with the manufacturing limitation and without the manufacturing limitation. Kurihara is dealing with demand for goods that will “probably be received” (paragraph [0190]). Probable demand is not “determining a trapped inventory based on a difference between the excess inventory with the manufacturing limitation and the excess inventory without the manufacturing limitation.” Thus, the Office has not shown every element of Applicants’ claimed invention in Kurihara.

The Office, in rejecting the arguments presented above, asserts Kurihara uses “useful mathematical operation to determine an excess inventory with or without a manufacturing limitation.” However, nowhere has the Examiner shown in Kurihara a teaching of determining an excess inventory with a manufacturing limitation and an excess inventory without the manufacturing limitation for each analysis point. The Examiner appears to assert that demand fluctuations are the same as manufacturing limitations. Such an assertion ignores the definition of manufacturing limitation and demand fluctuation. A manufacturing limitation is defined as any limitation that delays the manufacturing of an inventory, e.g., governmental restraint and manufacturing capacity (page 7, lines 11-12). Demand fluctuations are changes in demand predictions (paragraph [0131]). Thus, the Examiner is conflating manufacturing limitation and demand fluctuation. This is not permissible and withdrawal of the rejection is requested.

In view of the foregoing, Kurihara does not render obvious the claimed subject matter. The dependent claims are believed allowable for the same reasons stated above, as well as for their own additional features. Accordingly, Applicants respectfully request withdrawal of the rejection.

In light of the above, Applicants respectfully submit that all claims are in condition for allowance. Should the Examiner require anything further to place the application in better condition for allowance, the Examiner is invited to contact Applicants' undersigned representative at the number listed below.

Respectfully submitted,

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